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SUBJECT: TRINIDAD & TOBAGO ECONOMIC HIGHLIGHTS -
NOVEMBER 2007

The following were notable economic issues in Trinidad
& Tobago in November.

- [1](#)1. Prime Minister on Climate Change
- [1](#)2. Central Bank Governor on inflation, currency value
- [1](#)3. Rising food prices
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[1](#)1. Prime Minister on Climate Change

Speaking from the Commonwealth Heads of Government
Conference in Uganda, Prime Minister Patrick Manning
stated that T&T must develop a strategy to address
greenhouse gas (GHG) emissions in order to be in a
position to comply with the Action Plan of the
Commonwealth on Climate Change and the Kyoto Protocol.
The Prime Minister has asked his new Minister of
Planning, Housing, and the Environment, Emily Dick-
Forde, to develop a plan of action for the Cabinet's
review. On returning from Uganda, Manning elaborated
to media that he has no intention of reversing T&T's
industrialization drive but that the GOTT would
explore the use of carbon scrubbing technology in GHG-
emitting industrial projects.

[1](#)2. Central Bank Governor on inflation, currency value

At the launch of the October 2007 Monetary Policy
Report, Central Bank Governor Ewart Williams remarked
that the price of oil coupled with the depreciation of
the US dollar was placing upward pressure on prices in
T&T. He also cited rising worldwide food prices, the
result of global supply constraints and strong
worldwide demand, as contributing to inflation.
Headline inflation was 7.3 percent in October, down
from 10 percent in the same period last year, but
above the GOTT's goal of 7 percent by year-end. In
2008, the GOTT's target inflation rate is 5 percent.

Although Williams noted that the weak TT dollar was
raising the cost of imports from the UK and Europe,
which represent 10 to 15 percent of total T&T imports,
Williams said he would not advise T&T adjusting the
value of its currency against the US dollar to contain
inflation. Given the country's key economic objective
of diversification, Williams pointed out that a

reevaluation of the T&T dollar would work at cross purposes with this goal, reducing the competitiveness of non-energy exports.

13. Rising food prices

Rising food prices continue to be a critical issue in Trinidad and Tobago. As of the end of September, food prices had risen 27 percent for the year. In November, the country's largest poultry company announced a price increase of more than TT\$1 (US\$0.16) per kilogram for whole chicken. The price of flour also rose by close to 15 percent in November, the third increase in nine months. Some local economists have suggested that the GOTT introduce subsidies to reduce the burden on consumers. The Central Bank Governor, however, has underscored the need to increase local agricultural production in order to contain rising food prices. While the GOTT proposes creating large scale farms to stimulate production, one of which is a joint venture between T&T and Cuba slated to begin development in March, the first harvests from these planned farms would not reach the market before 2009.

14. Laqtel fined by TATT

The Telecommunications Authority of Trinidad and Tobago (TATT) fined Laqtel, Ltd. TT\$150,000 (US\$24,000) for failing to post a TT\$4 million (US\$635,000) performance bond in connection with the operation of a mobile telecommunications network and related services. The bond, overdue since January

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2006, was designed to ensure that Laqtel followed through on the obligations associated with the concessions granted it by TATT in 2005. Laqtel has yet to launch mobile service in T&T.

15. Increasing tourism traffic on Tobago

The completion of a \$27 million upgrade to the Scarborough Jetty on Tobago is expected to increase cruise ship visits to the island. Tobago House of Assembly Tourism Secretary Neil Wilson said that although the three-year delay in the project's completion reduced cruise ship visits and had a negative impact on the local economy, the project's completion is already having a positive impact. Princess Line is planning 22 visits to Tobago in the next two seasons, and Ocean Village Line will make 13 visits during the 2008/2009 season. In addition, a record number of people used the fast ferry to travel between Trinidad and Tobago this year. Passenger traffic via the air and sea bridges between the two islands is expected to reach 1.5 million by year end, a 50 percent increase over 2006 according to Wilson.

16. Trinidadian appointed UNEP Assistant SecGen

Former T&T Independent Senator Angela Cropper was named the Assistant Secretary General and Deputy Executive Director of the United Nations Environment Programme (UNEP). Cropper previously served at UNEP as the first Executive Secretary of the Convention on Biodiversity from 1993 to 1995. Well-regarded in T&T, Cropper is president of the Cropper Foundation, a non-profit organization focused on sustainable development. She is expected to assume her new duties at UNEP in early 2008.